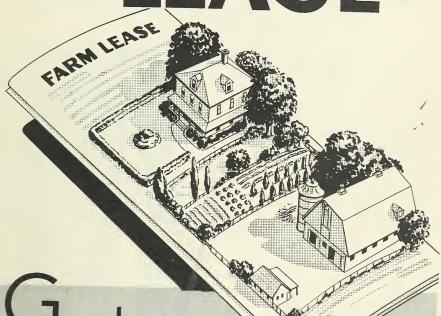
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FARM LEASE



Jood written farm leases can lead to better understanding and closer cooperation between landowners and tenants. Such leases can also mean improved tenant farming, soil conservation, more food production, and higher farm incomes.

> UNITED STATES DEPARTMENT OF AGRICULTURE Bureau of Agricultural Economics in cooperation with Extension Service Miscellaneous Publication No. 627

Revised June 1949

# YOUR FARM LEASE

By Max M. Tharp, Bureau of Agricultural Economics

When a farm owner and a tenant have the feeling that they are coworkers in a common enterprise they usually get on well together. Each knows that he must put forth his best efforts and must work with the other in a spirit that will benefit both of them. Both realize that the more the farm is made to produce, the more there is to divide between them. Both know that if the farm is to produce well, not only must good farm work be done under conditions favorable to the persons who do the work, but also the farm must be well kept and must be constantly improved. Such an understanding is easier as the landowner and tenant get to know each other better.

Next in importance is the contract or agreement which tells what the understanding is. It tells how the owner and the tenant are to work together. It outlines the duties and responsibilities of each, the part each is to furnish, and the share each is to take of what the farm earns or produces. Such a contract or agreement is called the farm lease.

In the lease, the farm owner agrees that the tenant shall have certain rights to occupy and use the farm for a specified length of time. Both owner and tenant accept certain duties and responsibilities. In addition to the usual items in the lease—like a description of the farm, time of occupancy, crops to be grown, woodland to be managed, livestock to be kept, and rent to be paid—it may cover any special understanding, or project, which the owner and the tenant have talked over and have decided to carry out. There may be arrangements for building fences, enlarging and improving the pasture, constructing terraces or drainage ditches, or other improvements. Details of such improvements usually can be worked out so that each party will be reasonably well satisfied and compensated for what he does.

Each lease must be adapted to the particular farm and to the needs and wishes of the owner and the renter. Your lease may be quite different from your neighbor's lease. Although the wording of the special details must be left to the individual owner and tenant, there are certain basic principles or essentials that go to make up a good lease. If you know what these things are you have the framework for drawing up a satisfactory rental agreement.

## Do You Know the Requirements of a Good Farm Lease?

One of the first requirements of a good farm lease is that it should be in writing. But three out of every four renters and landowners don't write out their agreements. No record is made of their understanding—the entire agreement is left to memory, and memories are often not reliable. After a few weeks or months, some of the things agreed upon are likely to be hazy. Some are forgotten. So misunderstandings often arise. Important points may have been overlooked in the short "talking over" of the agreement to rent and these points may be the very ones that may hurt the future relations between the two parties.

A good lease should be written in clear understandable words and it should be fair to both parties. The lease should outline unmistakably all the important details that have to do with the farming, the contributions of each party, and the amount of rent to be paid in money or produce. It should give the tenant a chance to make an adequate living on the farm. It should set forth definite provisions with regard to maintenance, repairs, conservation, and improvements. Provisions should be included that will encourage the maximum production that is consistent with efficient operation and conservation of resources. And, finally, it should contain an agreement between the parties that they will arbitrate any differences or disputes through the services of a third party.

Of course, a *good* lease cannot take the place of a productive farm of a size that will mean efficient production. Neither can it

take the place of an informed landlord and a capable tenant. But a written lease, covering several years, that provides for an equitable rental and assures the tenant reasonable security and stability on the land, will be a start toward improving tenant farming.

A *good* farm lease, of course, will benefit both parties. The points covered will help tenants to be better farmers and to take better care of the rented land and the improvements on it. Good leases properly carried out often contribute to larger farm earnings for both tenants and their landlords because the work has been better planned. Is your lease a *good* farm lease?

Experience shows that a good written farm lease can protect the landowner's interests, as well as the interests of the tenant. With a good written lease in hand a tenant can feel reasonably sure he can use the land for a specified time and reasonably sure he can use it in certain carefully planned ways. And so he can do a better job of farming. After all, that's the only way an owner can expect a tenant to take care of a farm as if it were his own—and that's the kind of tenant all owners want.

With experience gained over many years, the Department of Agriculture has developed a *Standard Farm Lease* form. This printed form, with blank spaces to be filled in, covers the essential points that most landlords and tenants want in their leases. Of course, it is for *general* use, and any particular details or special arrangements that a landlord and tenant may want must be written in. Spaces are provided for that, and at the end of the lease there is a blank section where special agreements or arrangements, not printed in the lease form, can be added.

On the back of this folder—when it is fully opened—you will find a sample copy of the *Standard Farm Lease*, with an explanation of its most important points printed alongside. It is adaptable for typical crop-share, crop-share-cash, cash, standing rent, and livestock-share renting. Copies of this lease and an *Annual Supplement* are available, free, from your county agent or the

United States Department of Agriculture, Washington 25, D. C. A copy of *Better Farm Leases*, Farmers' Bulletin 1969, is also obtainable from the same addresses.

Many of the State Agricultural Colleges have prepared lease forms and excellent publications on farm leasing. These may be better adapted to local conditions than the Department of Agriculture form. Ask your county agent about them.

Even though you may find some other form that is better suited to your own needs than the sample lease explained on the back of this folder, you might find it helpful to study the main points of this one. You may wish to learn more about how the *Standard Farm Lease* can be filled out to include the *basic principles* or essentials of a good lease. If you do, open up this folder, full size, and turn to the printed sample, illustrated on the back.

# METHOD FOR ESTIMATING RENT

The amount of rent and the division of expenses between landlord and tenant are the most important decisions they have to make in arriving at a good farm lease. Under share renting, local custom is often followed in deciding on the shares of major crops and livestock enterprises to be paid as rent and in deciding upon the principal contributions in terms of investments and expenses. If you want to follow customary practice, certain items can be shared so as to provide a fair division of expenses and income.

A table that may be used for making these estimates is shown on the page at the right. Although accurate estimates cannot be made for all items, a full consideration of each item by landlord and tenant working together should go a long way in helping to decide on satisfactory rental terms.

When assigning values to the items, it would be helpful to have available for reference good information on typical costs for these expenses. Such information often can be obtained from the county agricultural agent, other local agricultural workers, or the college of agriculture. While considering these figures and other information, the tenant and landlord will find it necessary to sit down together and reach an agreement on the values to be placed on these items. Financial records of the particular farm are often the best source of this information.

Where the entire rent is to be a share of the crops or livestock or both, you may want to divide the contributions between landlord and tenant (columns D and E) so as to make the customary share rentals equitable, or balance the contributions by shifting customary shares. Where some cash rent is to be paid in addition to share rent, the amount of cash rent can be decided upon so as to equalize expenses and incomes as between the two parties. Where only cash rent is to be paid for the entire farm, a further step is necessary. The gross farm income must be estimated. Thus a fair cash rent would bear about the same proportion to this gross

income as the landlord's share of expenses bears to the total farm expenses.

As an example, suppose estimated annual INTEREST CHARGES AND FARM OPERATING EXPENSES (line 21, column C) is \$4,000 and the landlord and tenant want to share the crops half and half, then expenses would be shared half and half. But if the first division of expenses in columns D and E is \$2,250 for the landlord and \$1,750 for the tenant, the two parties will want to adjust selected expenses so that each would pay approximately \$2,000. If some cash rent is to be paid in addition to share rent, then cash rent could be increased to equalize the difference.

You will note there is no place in the table to assign a value to two important items—"management" and "risk." These are particularly difficult to estimate in terms of dollars, and the ways in which they are shared between landlords and tenants vary widely. For any given type of farming, a crop- or livestock-share lease puts more of the risk on the landlord than a cash lease.

Management furnished by tenants often varies greatly. A tenant who is a good manager should receive a greater share of returns than one with less skill because he makes this extra contribution.

Neither risk nor management should be ignored when the proper distribution of farming returns is decided on, but they can best be handled by negotiation between individual landlords and tenants. After working through this table, you should be in a better position to decide what further adjustments, if any, should be made to allow for risk and management.

#### TABLE FOR ESTIMATING RENT

		(A)	(B)	AL COST		
	ITEM OF EXPENSE	ESTIMATED TOTAL VALUE	ESTIMATED INTEREST RATE	(C) Whole Farm	(D) LANDLORD'S SHARE	(E) TENANT'S SHARE
Int	EREST CHARGES:	Dollars	Percent	Dollars	Dollars	Dollars
1.	Land and buildings					
	Tractor and workstock					
3.	Machinery and equipment			(		
	Productive livestock					
	Feed and supplies					
	Other	I			,	
			,			
7.	Total		xxxxx	xxxxx	xxxxx	xxxxx
FAI	RM OPERATING EXPENSES:					
8.	Labor:					
	(a) Tenant					
	(b) Landlord					
	(c) Unpaid family				1	1.
	(d) Hired			1		
9.	Repairs:					
	(a) Buildings, fences, etc					
	(b) Machinery					
10.	Depreciation:					
	(a) Buildings, fences, etc					
	(b) Tractor and workstock					
	(c) Machinery					
1.1	Tractor fuel					
	Machine work hired				J :	
	Seed purchased					
	Fertilizer and lime					
	Other crop expense					
	Feed purchased				į.	
	Other livestock expense					
	Insurance:					
10.	(a) Buildings					
	(b) Personal property					
10	Taxes:					
19.	(a) Land and buildings					
20	(b) Personal property					
20.	Miscellaneous					·
21.	TOTAL INTEREST CHARGES AND					
	Expenses					



worked out so that each party will be reasonably well satisfied and

improvements. Details of such improvements usually can be

the pasture, constructing terraces or drainage ditches, or other

may be arrangements for building fences, enlarging and improving

the tenant have talked over and have decided to carry out. There

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			(A)	(B)	ESTIMATED ANNUAL COST			
	I	TEM OF EXPENSE	ESTIMATED TOTAL VALUE	ESTIMATED INTEREST RATE	(C) Whole Farm	(D) Landlord's Share	(E) TENANT SHARE	
Int	PEREST	Charges:	Dollars	Percent	Dollars	Dollars	Dollars	
1.	Land	and buildings.						
		or and workstock						
		nery and equipment						
		ctive livestock						
		and supplies.						
				,				
7.	TOTAL	-			xxxxx	xxxxx	xxxx	
		RATING EXPENSES:		****	****	****	***	
	Labor							
0.		Tenant						
		Landlord .						
	. ,	Unpaid family						
0	Repair							
47,		Buildings, fences, etc						
		Machinery						
10	Depre							
10.	-							
		Buildings, fences, ctc.						
		Tractor and workstock.						
1.1		Machinery fucl						
		ne work hired						
		urchased						
		zer and lime						
		crop expense						
	_	ourchased						
		livestock expense						
18.	Insura							
		Buildings						
		Personal property						
19.	Taxes:							
		Land and buildings						
00		Personal property						
20.	Miscell	aneous						
		***************************************						

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with Extension Service Miscellaneous Publication No. 627 Revised June 1949

For sale by the Superintendent of Documents, U. S. Government Printing Office Washington 25, D. C. - Price 10 cents

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Form Agri.-1 (Revised 1949)

THIS LEASE is entered into this

and					ndlord,	of		(Address)	
DESCRIPTIO     agricultural and relat     County, State of	ed purpose	s, the fo	llowing-	ndlord describ	nt, of a	leases erty, l	to the t	(Address) enant, to occu	py and use fo
and consisting ofand all rights thereto	acr	es, more	or less,	togethe	r with	all bu	ildings	and improve	ments thereo
(All this property tog the right to lease the soever.	ther is her	einafter	referred	to as tl	ne "farr	n.")	The lai	ndlord warrar any and all p	its that he ha
2. TERM OF LE. 19, to	ice of term e or any re Crop-Shar	ination is newal. ARRANG	and this s given by	rs.	hall con r party t	tinue to the	other at	t from year tleast	to year ther
(1)	pay do ron	Unic Brie	(2)		sii, aiiu/			UNT OF RENT TO BE	
USE OF L.	AND		Acre	s	Crop-			(4) Cash	Quantity of erop
	*						\$		
For producing food for the									
WoodlandFarmstead and lots									
TOTAL FARM					xxx	xxx	\$		****
Additional agreer	nents relat	ive to cr	ops and l	and us	e:				
(B) Livestock-Si will engage in the con distributed or divided	ımercial pr	oduction	of lives	ock, ar	ıd as rer	ıt live	stock ar	ant (or the pand livestock pr	arties jointly oducts will b
(1) Kind of Livestock To Be Kept	(2) Number To Kept on Far		ARE FURNISH	1				RECEIVED BY LAN	
ALSO DE LIVESTOCK TO DE REFI	Kept on Far	IM I	ivestock	Feed p	roduced e farm	Оffspr сгеам	ing or in-	Livestock sales	Sales of livestoc products
									*
Additional agreer	nents relati	ve to live	estock:						
									•
(C) Payment of be paid, distributed, or	Rent.—All divided at	rents ag the time	reed to, v	vhether e as sp	cash or pecified	r shar below	e of cro	p or livestock	receipts, sha
4. OPERATIONA	L EXPEN	SES.—T	he tenan	t will t	furnish	all lab	or, equi	pment, and ex	penses for th
(1) ITEM OF EXPENSE	(2) FURNISHED 8		below:	NAP.	Furnis	HED BY		(1)	(2) Furnishin av
	LANDLORD		TEM OF INCIPE	7	LAND	LORD	ITE	M DF EXPENSE	LANDLORD
				_/					
Additional agreen	ents relati	ve to one	pretionel	ornon					
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5. SOIL CONSER improve the farm, inclu- measures and to make on pletion of such practice andlord when the prac-	ther capita s and impr	oodland, l improv ovement	the two ements, a	parties and to s forth b	agree hare cor	to car ntribu The ta	ry out of tions ar	conservation p nd costs necess hall be reinb	oractices and sary for com-
nausted value when the	e tenant lea	ves the	farm, acc	cording	to the	sched	ule belo	w:/	
CONSERVATION PRACTICE, MEAS OR OTHER CAPITAL IMPROVEME.	DATE	M	(8) aterials	L	(4) abor	Ma	(5) schinery or trucking	VALUE PLAC ON TENANT CONTRIBUTION	ED ANNUAD DEPRECIA- TION (Percent)
		L	Т	L	Т	L		\	(Percent)
					-				
						/	/		
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Additional agreeme	ents relativ	e to soil	conserva	tion an	d capita	imp	rovemen	nts:	
					/				<u> </u>
6. PAYMENT FOR total acreages of preparents at the beginning of	red or seed l on the bas f his tenand	is of the	re great value of a	er thar such ex	cess ac	pegini reages	ung of h s. If su	us tenancy, he	will be com-

UNITED STATES DEPARTMENT OF AGRICULTURE

STANDARD FARM LEASE

# Filling Out The Standard Farm Lease

The Standard Farm Lease includes the basic items or essentials of a good farm lease. It may be used for any type of renting. Blanks are provided for adapting the terms to fit your particular farm and leasing arrangements. In order for the provisions of a written lease to become a contract, the agreement should be signed by both parties. It is usually unnecessary to record a lease, but doing so has the advantage of serving notice to third parties of the existence of the contract. However, in most States the physical occupancy of the property by the tenant is considered to be notice to third parties of the occupier's rights in the farm.

Every farm lease should indicate clearly what land is to be sed by the tenant. Give the name of the farm, its location th respect to the section, township, and range (where rectanwith respect to the section, township, and range (where rectain-gular surveys have been made), or with regard to some well-known place (where land is described by metes and bounds), the name of the county and State, and the total acreage rented. If some part of the farm or buildings is not rented, generally it is simpler to specify the few items reserved from use than to describe the many items that are leased. Exceptions, if any, should be written in the blank provided.

#### 2. Terms of the Lease

Steady long-term occupancy is desirable because it promotes sound long-time plans for crops, soil improvement, protection and improvement of farm woodiand, and the building-up of productive herds and flocks. A lease for 3 to 5 years, or one that continues in effect from year to year until written notice of termination is given, helps toward security.

Many of the advantages of a long-term lease may be obtained under a lease for a shorter term if it contains a provision for automatic renewal. Under a lease that specifies automatic renewal, the agreement continues from year to year unless notice of termination is given at a specified time before the end of the lease year. The period of notice usually should be at least 4 to 6 months before the beginning of the next lease year. In many instances (especially for livestock-share leases) it may well be 9 to 12 months before. Neither party would take advantage of the other by making up his mind to terminate the agreement and then waiting until a late date to notify the other party. The tenant should have time to find a satisfactory farm and the landlord should have a chance to get a capable tenant, so adequate advance notice of termination will benefit both landlord and tenant.

The period for which year leave for the man should have the set of the service of th

tenant.

The period for which your lease is drawn should be specified in the bianks provided. The lease will then remain in effect until the last date indicated. Furthermore, your lease will continue from year to year until written notice is given by either party to the other, and given the specified number of months agreed upon before the end of the lease year. Write in the agreed number of months in the last biank of the paragraph.

#### 3. Rental Rates and Arrangements

agreed upon before the end of the lease year. Write in the agreed unmber of months in the last blank of the paragraph.

3. Rental Rates and Arrangements

The lease should provide for farm-management practices that will encourage the production of sood crops and livestock at relatively low cost to both landlord and tenant. Maintaining the productivity of the farm and providing, so far as practicable, enough feed for livestock should be considered in deciding upon the farming plan. The cropping agreement should be based on approved and accepted farm-management principles that will safeguard soil fertility and lead to efficient use of tipe tenant's labor, machinery, and equipment.

(A) Crops.—Planned acreages for each crop to be grown or for each type of land use, including hay, pasture cover crops, and woodland, should be entered in column (2). These crop acreages may be for the first year of the lease. If year-to-year changes are necessary, they may be provided for by filling out the Annual Supplement to the Standard Farh Lease, which is available for this purpose. It is important that the tenant have some land for producing food for his family. Therefore, the tracts to be used for gardens and truck petches should be indicated. (Space is provided for specifying Agreements relative to pasture for subsistence livestock in section 9, item 5, below.) Columns (3), (4), and (5) are for indicating the types and amounts of rent to be paid. (Sharks of seed, fertilizer, and other crop expenses to be contributed by the landlord should be entered in section 4, below.) Column (3) is for crop-share rent. The share of each crop the paid as rent should be entered in this column opposite the crop. Column (4) is for cash rent. The amount of cash rent to be paid should be written in this column. If cash is to be paid as a certain rate per acre for particular cropy the amount should be indicated in column (3), (4), and (5) is provided for such items as pasture or hay land would be jated opposite the crop or land use in column (4).

used to better advantage. Livestock may also provide for a fuller use of crop residues and pasture lands and may encourage conservation of the farm.

Arrangements as to the kind and number of livestock to be kept should be listed in columns (1) and (2). If any of the livestock is to be shared or if livestock-share rent is to be paid, columns (3) to (7) should be filled in to indicate the landlord's share—the tenant's share is, of course, the part remaining. Column (3) is provided to show the landlord's literest in the ownership of livestock. For example, if the landlord and tenant are to furnish the beef-cattle breeding herd on a 50–50 basis, then (1½) should be entered in column (3) opposite beef cattle. The share of farm-produced feed to be furnished for livestock should be indicated in column (4) opposite the kind of livestock should be indicated in column (4) opposite the kind of livestock to which it is to be fed. (Space is provided in section 4, below, for indicating the share of purchased feed and other livestock expenses to be furnished by the landlord.) The share of off-spring and of sales of animals and products to be received by the landlord should be shown in columns (5), (6), and (7).

Space is provided for writing in additional agreements concerning livestock. For example, it might be agreed that so far as practicable a certain percentage of the hay, forage, and feedable grain will be fed on the farm.

(C) Payment of rent.—A statement should be included to indicate how, where, and when the cash rent is to be paid or the share products divided. Cash rent is generally paid in two or more installments so as to be timed with income from sales of crops or it investock. Crops that are shared usually are divided at time of harvest or at time of sale. The landiord's share of the crops is frequently stored on the farm or delivered at some convenient place as mutually agreed upon: When livestock receipts are to be shared they are usually divided at the time payment is received from the buyer or in any way t

### 4. Operational Expenses

The proportion of farm operating expenses to be paid by the

keep a 50-50 rental, some balance may be obtained by making adjustments in their contributions in operating equipment and expenses. The table on page 8 may be used for estimating the relative contributions of the two parties.

All labor to be furnished and operating equipment, or operating expenses, to be paid in whole or part by the landlord should be listed in column (1) and the share shown in the blanks provided in column (2). Care should be taken to include all items of operating expenses to be paid by the landlord. For crops, such items as tractor fuel and oil, seed (including grasses and legumes), lime, fertilizer, combining, hay baling, silo filling, or other special machine work, labor for special operations, trucking, packing and processing charges, costs of irrigation water, etc., may be included as agreed upon. For livestock, such items as the following may be included: Purchased feed, veterinary charges, breeding fees, trucking, commission, electricity for farm use, expenditures for milk coolers, can-washing equipment, etc.

Any additional agreements relating to having the size of the contribution of the parties of the support of the parties of the parties.

ment, etc.

Any additional agreements relating to buying operating equipment and payment of operating expenses not itemized in the table should be specified in the blanks provided.

#### 5. Soil Conservation and Capital Improvements

5. Soil Conservation and Capital Improvements
Definite details as to the labor and materials to be furnished for carrying out soil conservation practices and the making of capital improvements should be clearly indicated in the lease. Tenants are not inclined to complete soil conservation practices or to make capital improvements when they have no assurance that they will be permitted to remain on the farms long enough to benefit from them. This may be overcome if the landlord agrees to pay the tenant for the unexhausted value of certain soil conservation practices and capital improvements added by the tenant and left on the farm when the lease ends. This is particularly necessary in a year-to-year lease. If the tenant is expected to farm in a way that will increase rather than de-

crease the fertility of the soil and the value of the improvements, he needs to know that he can get back a fair amount of what he has spent on the farm when the lease ends.

The table provides a place for recording the agreements relative to carrying out soil conservation practices and the making of capital improvements. Practices or improvements, including provisions for management of woodland, to be made should be listed in column (1). The date that the practice or improvement is to be completed should be specified in column (2). At the time the lease is made and the practices and improvements are agreed upon, each party's contribution toward the expenses for materials, labor, and machinery and trucking, for each item, should be shown in columns (3), (4), and (5). At expenses for materials, labor, and machinery and trucking, for each item, should be shown in columns (3), (4), and (5). At the same time, an estimated dollar value of the tenant's contributions (including the value of his own labor) should be agreed upon and entered in column (6) for each practice or improvement. In column (7) list the annual rate of depreciation of the tenant's contribution for each item. A straight-line depreciation (the same amount each year) is generally used. This depreciation will begin on the date the practice or improvement is to be completed, as agreed in column (2) or as otherwise specified. When the tenant leaves the farm, he will be reimbursed by the landlord for the full value of his contribution, column (6), minus the depreciation specified in column (7). specified. When the tenant leaves the farm, he will be reimbursed by the landiord for the full value of his contribution, column (6), minus the depreciation specified in column (7). For example, if the practice is to be charged off at an annual rate of 20 percent, it means that the tenant who leaves the farm 2 years after the practice is completed will be reimbursed by the landiord for 60 percent of the tenant's contribution; at the end of 4 years he would receive only 20 percent, and of course, at the end of 5 years he would receive no payment as the practice or improvement would have no further value. Employees of the Soil Conservation Service, County Agricultural Extension Agents, or other agricultural workers, can help you to estimate the probable costs of carrying out various soil conservation practices on your farm and the estimated annual rate of depreciation. These estimates of the actual costs should be used to put a value on the tenant's contribution, as the basis for payment to the tenant for any unexhausted value due him when he leaves the farm. The Extension Service or your State Agricultural College can help you to estimate depreciation rates for capital improvements, such as buildings or fences.

Buildings or other capital improvements of a permanent nature should be constructed by the landiord at his own expense. However, if the tenant makes such improvements at his own expense then he should be reimbursed by the landiord when the improvement is completed. In such cases, column (7) should not be filled in and the tenant would be paid the full amount listed in column (6) opposite the improvement.

Space is provided below the table for any additional agreg-

#### 6. Payments for Preparing or Seeding Land

The acreages of plowed land and land seeded or planted to crops at the beginning of occupancy should be listed in the space provided. An agreement as to the rate of compensation for each item should also be specified. For example, fall plowing might be listed as follows: Fall plowing—20 &cres at \$1.50 per acre. Such items as winter wheat, fall-sown alfalfa, other legume crops, or any other items agreed upon should be listed.

### 7, 8, and 9. Items Mutually Agreed Upon and Agreed to

7, 8, and 9. Items Mutually Agreed Upon and Agreed to by the Tenant and by the Landlord

Each party assumes the responsibilities outlined in the lease. It is essential that the duties of each be thoroughly understood beforehand. Tenant and isndlord must remember that their bollgations are for the benefit of both, and that faithful doing of duties will leave little room for disagreements or disputes. The most necessary condition in good landlord-tenant relations is an attitude of fairness and a willingness "to meet the other party more than half way."

These items are those most commonly found in farm leases. If the landlord and tenant do not wish to include certain of these items, the ones not wanted should be marked out when the lease is made and each party should put his nittials in the margin alongside of the item crossed out. Most of the items explain themselves. Where it is necessary for the landlord and tenant to specify their agreement regarding any item, blank space is provided for writing in the specific agreement. Some of the more complex agreements in these three sections are explained below.

Hems Mutually Agreed Upon

Item (8) So far as possible, it is desirable to foresee the points over which there might be disagreement and to have a clear understanding about them when the lease is made. But if a disagreement arises which cannot be settled by talking it over together the most practicable way of settling it is to leave the decision to an arbitration committee. This clause provides for settlement to be made by three disinterested parties.

Item (7) Blanks are provided to indicate some of the repairs that it is agreed require skilled labor. It should not be necessary to list the more common types of repairs which both parties agree are "normal" and that do not require skilled labor.

Item (8) The landlord and tenant should agree to cooperate, when it is practicable to do so, in any suitable soil conservation.

when it is practicable to do so, in any sultable soll conservation or other Government agricultural program. These vary from soll conservation programs to marketing agreements and crop loans. The particular programs that the two parties agree to take part in should be listed in the blanks. Also specific agreements relating to the programs in which they cooperate should be written in. For example, the agreements for sharing crop allotments and for dividing payments or other benefits should be included.

Included.

Item (9) This space is provided for listing your agreem
specially the buying or selling of livestock owned jointly Item (9) This space is provided for listing your agreements concerning the buying or selling of livestock owned jointly or shared. It may be agreed that so far as practicable all purchases and sales for the joint account be made after talking them over together. One party might then be designated to make the transaction. Whatever your agreement is it should

Item (10) At the termination of the lease any jointly owned Hem (10) At the termination of the lease any jointly owned property should be divided upon the basis of the respective interests of the two parties. Usually there is no question about the division of seed, feed, and other supplies which can be separated readily. But when livestock and machinery are owned in common, special consideration may need to be given as to the way to make the division. Any one of the ways suggested here may be appropriate: (1) Either party may sell his interest to the other at such price and upon such terms as may be mutually agreed; (2) one party may place a value upon the entire property, and the other party may either buy or sell at this price; (3) the common property may be sold at a public sale, the expenses of the sale deducted, and the proceeds divided according to the respective interests of the two parties; or (4) the matter may be settled by arbitration.

## Item (8) A tenant should not operate additional land or tak

Item (8) A tenant should not operate additional land or take up other occupations—such as custom combining, threshing, trucking, baling hay, timber cutting or sawmilling, for othersif it means neglecting the farm. However, it is often advantageous for the tenant to exchange work with his nelshobrs, and it may be desirable for him to farm additional land if/the unit is not large enough to use his equipment, management, and labor supply to capacity. Any provision regarding this matter should fit the special circumstances of the farm and the particular wishes of the two partles. The agreement should be written in the space provided.

Item (9) Space is provided for listing any special agreements you may have concerning these items.

Item (10) When the interests of landlord and tehant are closely related, particularly under a stock-share lesse, it is essential that careful records be kept of all transactions which affect both partles. As the tenant is usually better facquainted with details of the farming, it is usually his duty fo keep the records. Such accounts may be designed to fit the specific needs of the two parties. In general, they should list all purchases and sales for the joint farm business, or the party making the transaction should furnish the other party with satisfactory vouchers or receipts. Farm record books that afre adapted to the farming of the area are usually available through the county Extension Agent.

Items Agreed to by Lundlord

Hem (1) As it is usually inconvenient for the parties to talk over small expenses beforehand, it may be well to specify that the tenant can make purchases and sales on behalf of the landlord up to an agreed amount without asking his actice.

Hem (3) Many rented farms do not have enough buildings or fences for the tenant to do livestock farming. Ordinarily these improvements would be furnished by the fundiord. But in many cases temporary or movable structures could meet the practical requirements of livestock production. For example, individual, movable hog houses and temporary fencing may enable the tenant to raise hogs. The spreement (item 3) permits the tenant to take with him when hy leaves any movable improvement made at his own expense buy of course, the tenant would not receive compensation for the improvements he removes.

would not receive compensations to have for home use, vegetables, fremotes.

Item (5) If the tenant is to have for home use, vegetables, fruits, milk, eggs, meat, products from the woodland, or other items owned by the landlord or owned jointly, the kinds and amounts of such items agreed to should be listed. If pasture or feed for home-use livestock is to be provided by the landlord, the specified acres to be so used of the number of head of livestock to be pastured should be shown in the blanks.

## 10. Additional Agreements

This space is provided for any specific agreements not covered in other parts of the lease. It can also be used if extra space is needed for listing items partly covered eisewhere. For example, if more space should be needed for indicating the agreement relative to item (8), section 7, the section and item number should be listed and the additional agreement should be written in the blanks provided.

After the lease has been filled out it should be signed by both parties in the presence of two witnesses who will sign in the blanks provided for that purpose. Both landlord and tenant should keep signed copies of the lease. They can refer to it from time to time during the year. In some instances it will be necessary or wise to record or file the lease with the county recorder or other county office that does the recording. In some cases it is advisable for the landlord's wife to sign the lease also.

(7) The landlord will furnish materials and the tenant will perform labor for normal maintenance and repairs, except that skilled labor which the tenant himself is unable to perform satisfactorily will be furnished by the landlord including the fol-

77. IT IS MUTUALLY AGREED THAT:

(1) The acres of crops and numbers of livestock shown above are those planned for the first year of this lease, and may be changed from year to year by mutual agreement.

(2) If it is impracticable in any year, from causes beyond the tenant's control, to grow the crops and to keep the livestock according to the plan shown, appropriate adjustments will be worked out by the two parties

(3) Willful neglect, failure, or refusal by either party to carry out any major provision of this lease shall give the other party the benefits of any proceedings provided by law.

(4) This lease shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other without writ-

(5) The terms of this lease shall apply to the heirs, executors, administrators, successors, and assigns of both landlord and tenant in like manner as to the original parties

(6) Any differences between the parties under this lease that cannot be settled after thorough discussion, shall be submitted for arbitration by a committee of three disinterested persons, one se-lected by each party hereto and the third by the two thus selected; and their decision shall be ac-cepted by both parties.

### >8. THE TENANT AGREES THAT: (7) He will permit the landlord or his agent to enter the farm at any reasonable time for repairs, improvements, and inspection.

(1) Crops will be grown in fields specified, and no pastures or meadow land will be plowed without written consent of landlord.

(2) He will maintain the farm during his tenancy in as good condition and repair as at the beginning, or as later improved, normal wear and depreciation from causes beyond the tenant's control excepted.

(3) He will operate the farm in an efficient and husbandlike way, will do the plowing, seeding, cultivating, and harvesting at the proper time and in the proper manner.

(4) He will keep in good repair all grass waterways, terraces, open ditches, and inlets and outlets of tile drains.

(5) He will not commit waste on or damage to the farm and will use due care to prevent others from so doing.

so doing.

(6) He will take for fuel or use on the farm only dead or unmarketable timber or other timber designated by the landlord and will sell no timber without the landlord's written consent.

#### ≥9. THE LANDLORD AGREES THAT:

as follows: -

(1) The tenant may buy without further authorization materials for normal maintenance and repairs in a total amount not to exceed \$\_\_\_\_\_within each year, and he will credit or reimburse the tenant for such expenditures.

(2) He will replace or repair the dwelling or any other building that may be destroyed or damaged by fire, flood, or other cause beyond the control of the tenant as promptly as possible or make rental adjustments in lieu of replacements.

(3) Minor improvements of a temporary or removable nature (not provided for in Section 5 above) which do not mar the condition or appearance of the farm may be made by the tenant at his

10. ADDITIONAL AGREEMENTS:

(10) He will keep adequate records in regard to:

(8) The farm will be operated in compliance with

(9) The two parties will buy and sell jointly owned livestock according to the following agree

(10) At the termination of this lease all jointly owned livestock or other property will be divided

(8) He will not assign this lease or sublet any part of the farm without the written consent of the landlord or rent additional land except:

(9) He will spread the manure on the farm as soon as practicable on fields agreed upon by the two parties, and will not burn cornstalks, straw, or other crop residues grown upon the farm except

governmental programs as follows:

or disposed of as follows:

own expense. The tenant may at any time this lease is still in effect, or within a reasonable time thereafter, remove such improvements, provided he leaves in good condition that part of the farm from which they are removed. (4) If he should sell or otherwise transfer the farm, he will do so subject to the provisions of this

(5) The tenant may take for home use the follow-

ing kinds and quantities of jointly owned crops, livestock, and/or livestock products:

	WEST				EAST
			SOUTH		
In Witness Wh	EREOF signat	, the parties have sig	gned this lease o	n the date first	above written.

Between  (Landbod)	(Tenant)	. (Common name or number of farm)	In County State of	USE OF STANDARD FARM LEASE  This lease is prepared especially for use by land- order and tentain in all types of renting—vorp-share, evop-share-costs, costs, standing, or itsestool-share.  It is also adstable for use with Institutional On- Ram Traning for Veterans where renting of land is involved. Some changes may be necessary in order to adapt the general provisions that sense the present of the particular fram. Most provisions that exist of the manded are included. Spaces are pro- vided for withing mand are included. Spaces are pro- vided for withing that a laddled and redains or special Although it is desirable for the lease an man want. Although it is desirable for the lease at or mis an in crops, acreages, livestock and certain other as in crops, arguments may be necessary from year to year. An Annual Supplement (Agri-2, Revised 1949) to the Standard form the lease is available for this purpose. By using the Annual Supplement, detailed suggestions chough the work of preparing and signing a new lease.  Public of this form, the Annual Supplement copies of this form, the Annual Supplement though the work of preparing and signing a new lease.  Public of this lease, may be secured from the clumal Agricultural Agent, from the State Agri- cultural Agreed for year may be secured from the cultural Agricultural Agent, from the State Agri- ord Agricultural Agent, from the State Agri- of Agricultural Agent, from the State Agri-
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ACKNOWLEDGMENT (Proper form to be inserted):

[SEAL]

